#### UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency Washington, DC 20250 **Notice PM-2243** 

For: FAS, RMA, and FSA Employees

Approved by: Deputy Administrator, Management

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1 Overview

A

**Background** 

During the TSP open season, eligible employees may start, change, or stop contributions to their TSP account.

**Note:** There are changes to TSP that go into effect with this open season, such as immediate participation, increase of contribution limits, and 2 new investment funds. Changes are identified in this notice by *italics*.

B Purpose

This notice announces the TSP open season, which is being held from May 15, 2001, through July 31, 2001.

#### 2 Eligibility

A Employees Eligible to Participate

The following employees are eligible to participate in TSP during this open sesion:

- employees whose appointment to a retirement-covered position was made **before** July 1, 2001
- employees who stopped their TSP contributions during a previous open season and want to restart contributions this open season
- employees who stopped their TSP contributions outside of an open season before November 15, 2000, and want to restart contributions this open season.

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Disposal Date	Distribution
August 1, 2001	All FAS, RMA, and FSA employees; State Offices relay to County Offices

#### 2 Eligibility (Continued)

B Employees Eligible to Contribute for the First Time

The following employees are eligible to make an election for the first time under their current appointment:

• employees who were hired or rehired from January 1, 2001, through June 30, 2001

**Note:** See paragraph 5 for effective date of elections.

• employees first hired or rehired beginning July 1, 2001, will have 60 calendar days from the effective date of the appointment to make an election to begin contributing to TSP. The effective date of these elections is the beginning of the period after TSP-1 is received by the servicing personnel office.

Beginning July 1, 2001, new hires and rehires no longer have to wait until an open season to make an election to contribute to TSP.

C Required Waiting Period for Agency Contributions

Employees covered by the Federal Employees' Retirement System (FERS) and the Foreign Service Pension System (FSPS) are eligible to receive an automatic agency 1 percent and agency matching contributions effective July 1, 2001, if hired before January 1, 2001, and not previously eligible to receive agency contributions. The automatic agency 1 percent will be contributed to the employee's TSP account whether or not the employee contributes.

Employees hired or rehired beginning July 1, 2001, will be eligible for the automatic agency 1 percent and matching contributions during the second open season election period if they were not previously eligible to receive agency contributions.

**Note:** Employees, who were previously eligible to receive agency contributions, are not required to serve another waiting period to receive agency contributions.

If the FERS/FSPS employee is contributing, they will receive agency matching contributions to their TSP account at the rate of a dollar for a dollar for the first 3 percent and 50 cents on the dollar for the next 2 percent. Civil Service Retirement System (CSRS) and Foreign Service Retirement and Disability System (FSRDS) employees are not eligible for agency contributions.

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#### 2 Eligibility (Continued)

## D Contribution Limits

The amount of TSP contributions that may be contributed each pay period must be specified as a whole percentage of basic pay or a whole dollar amount. If a dollar amount is specified, this amount **cannot** exceed the maximum percentage amount allowed as follows.

Effective Date	FERS/FSPS Limit	CSRS Limit	
July 1, 2001	11 percent	6 percent	

**Note:** The maximum contribution amount will increase by 1 percent each year through the year 2005, at which time it is scheduled to be lifted entirely.

# E IRS Elective Deferral Limit

The total amount that an employee may contribute to TSP each year will continue to be capped by the IRS elective deferral limit. The elective deferral limit for 2001 is \$10,500. The TSP system will not process a contribution that will cause the total amount of an employee's contribution for the year to exceed the elective deferral limit.

## F Investment Funds

Eligible employees may invest all or any portion of their future TSP contributions in any of the following 5 investments funds:

- C Fund, Common Stock Index Investment Fund
- G Fund, Government Securities Investment Fund
- F Fund, Fixed Income Index Investment Fund
- S Fund, Small Capitalization Stock Index Investment Fund
- I Fund, International Stock Index Investment Fund.

Allocation of contributions among the 5 investment funds can **now** be made in 1 percent increments and are made directly to TSP by using the thriftline; 504-255-8777, using the Website, **www.tsp.gov**; using the TSP personal identification number, or mailing TSP-50 to TSP. A change in the allocation of future contributions is no longer an open season change and may be changed at anytime using 1 of these methods.

# G Employees Not Contributing to TSP

FERS/FSPS employees who are not contributing to TSP, but are receiving the agency automatic 1 percent contribution, may invest all or any portion of the agency automatic 1 percent contribution in any of the 5 investment funds.

Allocations to the 5 investment funds may now be allocated increments of 1 percent.

#### 3 Materials

## A Open Season Materials

Employees who become eligible to participate in TSP during this open season shall receive the following from their servicing personnel office:

- TSPBK08, "Summary of the Thrift Savings Plan for Federal Employees" booklet
- TSP "Open Season Update" booklet
- TSP-1, "Thrift Savings Plan Election" Form"
- TSP-3, "Thrift Savings Plan Designation of Beneficiary Form".

**Notes:** NFC provides all eligible employees with the update booklet in their earnings and leave statement.

Current participants seeking additional information about TSP may obtain a summary booklet from their servicing personnel office.

# B TSP Information on the Internet

TSP forms, publications, and monthly rates of returns are available on the internet at http://www.tsp.gov.

### 4 Making an Election

# A How to Make Open Season Election or Change

Employees who want to make an election or change contribution amounts shall:

- obtain TSP-1, revised May 2001, from the TSP website or their employing office
- submit completed TSP-1 to their employing office by July 31, 2001
- process change by using Employee Express, if available.

If either Netscape Navigator or Microsoft Internet Explorer is used, Employee Express may be accessed through the internet at **www.employeeexpress.gov.** 

**Note:** To change allocations of contributions, see subparagraph 2 F.

## **5** Effective Dates and Processing Procedures

#### A Effective Dates of Election

Following are the effective dates of open season elections.

IF TSP-1 is received in the employing office	THEN the effective date is
before June 30, 2001	July 1, 2001, Pay Period 13.
after July 1, 2001, but before July 14, 2001	July 15, 2001, Pay Period 14.
after July 15, 2001, but before July 28, 2001	July 29, 2001, Pay Period 15.
after July 29, 2001, but before August 1, 2001	August 12, 2001, Pay Period 16.

TSP-1's received to cancel contributions will become effective the last day of the pay period in which the employing office receives TSP-1.

# B Overseas Employees' TSP Open Season Elections

To ensure that overseas employees' elections are received in a timely manner, either of the following methods may be used.

- The following information from TSP-1 may be forwarded to HRD, Domestic Operations Branch (DOB), Services Unit, by cable:
  - name and Social Security number
  - total whole percentage of pay or whole dollar amount that will be contributed each pay period
- FAX a copy of TSP-1 to HRD, DOB at 202-418-9129.
- employees shall also mail the original TSP-1 to HRD at the following address:

FSA/HRD/DOB/Services Unit/STOP 0594 1400 Independence Ave., SW Washington, DC 20250-0594

# C Monthly Rates of Returns

**Note:** See exhibit 1 for the C, F, and G funds' monthly returns for the last 12 months.

# **6** Contacts

# A National Office Contacts

National Office employees shall contact the appropriate office according to this table for information.

IF employee needs to	THEN		
• obtain TSP forms	• go to Room 0086-South		
obtain a plan	• go to Room 5700, L Street		
summary booklet	download form from the internet at www.tsp.gov		
	• contact the Services Unit at 418-9135 or 418-9136.		
verify TSP election	contact the Services Unit		
submit TSP-1	<ul> <li>place in HRD mailbox in Room 0419-South</li> <li>mail to STOP 0594</li> <li>deliver to Room 5700, L Street</li> <li>contact the Services Unit.</li> </ul>		
obtain policy information or guidance	<ul> <li>go to Room 5700, L Street</li> <li>contact the Performance Management, Benefits, and Awards Branch(PMBAB) at 418-9021.</li> </ul>		

# **6** Contracts (Continued)

# B Field Contacts

National Office employees shall contact the appropriate office according to this table for information.

Location	Contact
KCAO, KCCO, KCFO, KC-ITSTO, KC-ITSDO APFO Kansas City FSA Complex RMA Kansas City Offices St. Louis Office	servicing personnel clerk, Processing Section, Personnel Division at 816-926-6225
RMA Regional Service and Compliance Offices FAS Overseas	Darla Hensley, HRD,PMBAB at 202-418-9021 Susan Brown, HRD,PMBAB at 202-418-9039
State Office	State Office, Administrative Office
County Office	State Office



# C, F, and G Fund Monthly Returns April 9, 2001

			Lehman Brothers		
	$\mathbf{C}$	S&P 500	$\mathbf{F}$	U.S. Aggregate	$\mathbf{G}$
Months	Fund	Stock Index	Fund	Bond Index	Fund
1996 (Jan Dec.)	22.85%	22.96%	3.66%	3.63%	6.76%
1997 (Jan Dec.)	33.17%	33.36%	$\boldsymbol{9.60\%}$	9.65%	6.77%
1998 (Jan Dec.)	28.44%	28.58%	8.70%	8.69%	5.74%
1999 (Jan Dec.)	$\boldsymbol{20.95\%}$	21.04%	(.85%)	(.82%)	5.99%
2000 (Jan Dec.)	(9.14%)	(9.10%)	11.67%	11.63%	6.42%
2000					
April	(2.98%)	(3.01%)	(.29%)	(.29%)	.52%
May	(2.05)	(2.05)	(.03)	(.05)	.54
June	`2.44	2.47	2.07	2.08	.53
July	(1.56)	(1.56)	.89	.91	.53
August	[6.19]	6.21	1.46	1.45	.52
September	(5.27)	(5.28)	.64	.63	.49
October	(.40)	(.42)	.66	.66	.51
November	(7.87)	(7.88)	1.65	1.64	.48
December	.50	.49	1.86	1.86	.48
2001					
January	3.55	3.55	1.65	1.63	.46
February	(9.12)	(9.12)	.87	.87	.42
March	(6.33)	(6.34)	.51	.50	.45
Last 12 Months	(21.63%)	(21.68%)	12.61%	12.53%	$\boldsymbol{6.09\%}$
Percentages in ( ) are n	egative.				

Percentages in ( ) are negative.

The C Fund is invested in the Barclays Equity Index Fund, which tracks the S&P 500 stock index. The F Fund is invested in the Barclays U.S. Debt Index Fund, which tracks the Lehman Brothers U.S. Aggregate bond index. The G Fund is invested in special issues of U.S. Treasury securities.

The monthly C, F, and G Fund returns represent net carnings for the month, after deduction of accrued administrative expenses. The C and F Fund returns also reflect the deduction of trading costs and accrued investment management fees.

The C, F, and G Fund monthly returns are dollar-weighted: they reflect net earnings on the changing balances invested during the month. The C, F, and G Fund returns for the last twelve months assume, except for the crediting of earnings, unchanging balances (time-weighting) from month to month and assume earnings are compounded on a monthly basis.

The C and F Fund returns vary from the index returns because of C and F Fund expenses, changing balances in the C and F Funds, and differences in returns between the Barclays funds and the underlying indexes. The index returns are time-weighted: they assume constant dollar balances invested during each month and throughout the period.

Future performance of the three funds will vary and may be significantly different from the returns shown above. See the "Summary of the Thrift Savings Plan" for detailed information about the funds and their investment risks.

Federal Retirement Thrift Investment Board